

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08  
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O 031459Z APR 78  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC IMMEDIATE 9491

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E.O. 11652: N/A  
TAGS: EGEN, OECD  
SUBJECT: XCSS APRIL 14: NORTH-SOUTH RELATIONS

1. ADVANCE COPY OF SECRETARIAT NOTE FOR ITEM 2 OF  
APRIL 14 XCSS ENTITLED "THE BASIS FOR A CONSTRUCTIVE  
AND COHERENT APPROACH BY OECD COUNTRIES TO NORTH/  
SOUTH RELATIONS," HAS BEEN AIRMAILED TO CASEY, EUR/  
RPE. FOLLOWING PARAS SUMMARIZE MAIN POINTS OF THIS  
PAPER:

BEGIN SUMMARY OF PAPER

2. SECRETARIAT NOTE PROPOSES THAT A NEW BASIS FOR THE  
N/S DIALOGUE BE FOUND BY IDENTIFYING AND BUILDING ON  
MUTUAL INTERESTS WITHIN A FRAMEWORK CONSISTING OF THREE  
MAIN ELEMENTS:

A) THE REQUIREMENTS FOR THE EFFICIENT MANAGEMENT  
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OF INTERDEPENDENCE WITHIN THE WORLD ECONOMY;

B) A MEDIUM/LONG-TERM VIEW OF THE SORT OF CHANGES  
IN STRUCTURE AND BALANCE WITHIN THE WORLD  
ECONOMY WHICH THE INDUSTRIAL COUNTRIES AND  
THE SOUTH WOULD CONSIDER DESIRABLE;

C) IN THE LIGHT OF (A) AND (B), A COMMITMENT TO SOME NEW PROGRAM OF COOPERATION, WHICH WOULD GO BEYOND THE STRICT NEEDS OF ECONOMIC INTERDEPENDENCE TO STRENGTHEN THE CAPACITY OF COUNTRIES IN THE SOUTH TO PARTICIPATE MORE EQUITABLY WITHIN THE WORLD ECONOMY AND TO PROVIDE FOR ACCELERATED DEVELOPMENT IN THE POORER PARTS OF THE WORLD, IF POSSIBLE WITHIN SOME BROAD FRAME OF OBJECTIVES FOR THE NEXT DECADE OR TWO.

ESSENTIAL TO THIS APPROACH WOULD BE TO FOCUS WORK ON FUNCTIONAL LINES, AVOIDING N/S POLITICIZATION OF ISSUES. ACCEPTABILITY OF THIS BY SOUTH WOULD REQUIRE NORTH (A) TO ASSURE THAT MORE FUNCTIONAL APPROACH WAS NOT A "DIVIDE AND RULE" TACTIC, AND (B) TO ACCEPT A PUBLIC COMMITMENT TO A NEW LONG-TERM PROGRAM OF DEVELOPMENT ACTION.

3. FOUR CRITICAL STEPS IN SUCH AN APPROACH WOULD BE

- MAPPING THE NATURE AND EXTENT OF N/S ECONOMIC INTERACTION
- IDENTIFYING NORTH'S VIEW OF HOW GLOBAL ECONOMY SHOULD EVOLVE OVER MEDIUM TERM
- IDENTIFYING PARALLEL PERSPECTIVES FROM POINT OF LIMITED OFFICIAL USE

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VIEW OF SOUTH

- DEVELOPING SPECIFIC ELEMENTS FOR A CONSTRUCTIVE APPROACH. PAPER IDENTIFIES FOLLOWING ELEVEN AREAS WHERE THIS SHOULD BE CARRIED OUT: ENERGY, FOOD SECURITY, NATURAL RESOURCES/KEY COMMODITIES, LABOR MIGRATION, INDUSTRIAL DEVELOPMENT, TECHNOLOGY, CAPITAL FLOWS/ MNE'S/INVESTMENT, DEMAND MANAGEMENT, WORLD MONETARY MANAGEMENT, MAINTENANCE OF FAIR AND OPEN TRADING SYSTEM, AND DEVELOPMENT COOPERATION.

4. IN PURSUING APPROACH, THREE IMPORTANT ADDITIONAL POINTS ARE: A) N/S CONFLICTS OF INTEREST SHOULD BE IDENTIFIED RATHER THAN SWEEPED UNDER THE RUG; B) INTERDEPENDENCE VARIES GREATLY DEPENDING ON COUNTRIES AND SECTORS; AND C) BARGAINING STRENGTHS OF DIALOGUE PARTICIPANTS VARY OVER WIDE RANGE. PAPER SUGGESTS SOME FORM OF "THIRD WORLD SECRETARIAT" ANALOGOUS TO OECD WOULD HELP SOUTH DEFINE INTERESTS AND PARTICIPATE IN NEGOTIATIONS ON A MORE EQUITABLE BASIS.

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ACTION EUR-12

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5. AS EXAMPLE OF APPLYING THE IDEAS PUT FORWARD, THE PAPER OUTLINES OBJECTIVES IN ENERGY FIELD FOR INDUSTRIAL COUNTRIES, OPEC, AND ENERGY DEFICIENT COUNTRIES. IT CONCLUDES THAT ALL HAVE INTEREST IN BETTER ANALYSIS AND COMMON UNDERSTANDING OF GLOBAL ENERGY MARKETS TO ENABLE A SYSTEMATIC AND COLLECTIVE APPROACH TO MANAGING THE TRANSITION TO THE POST-OIL ERA. POINT IS MADE THAT EXPERIENCE INDICATES DIALOGUE ON BASIS OF THESE COMMON INTERESTS IS UNLIKELY TO BE SUCCESSFUL UNLESS PART OF A PARALLEL EFFORT IN A NUMBER OF SECTORS AND ISSUES.

6. PAPER HAS SECTION ON DIFFERENTIATION OF COUNTRIES WHICH PROPOSES DISTINCTION BETWEEN DIFFERENTIATION FOR TECHNICAL REASONS (I.E., DIFFERENT COUNTRIES SHOULD BE INVOLVED IN MIGRATION DISCUSSIONS THAN IN ENERGY DISCUSSIONS) AND FOR POLICY REASONS (I.E., DIFFERENT TREATMENT FOR COUNTRIES IN DIFFERENT CIRCUMSTANCES),  
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AND NOTES NEED TO DISTINGUISH THESE CONCEPTS FROM  
TACTICS OF DEALING WITH THIRD-WORLD UNITY.

7. XCSS VIEWS ARE ASKED ON FOLLOWING POINTS:

- ACCEPTABILITY OF GENERAL APPROACH
- PRIORITIES AMONG ELEVEN FUNCTIONAL AREAS OF PARA  
3 ABOVE
- POTENTIAL FOR USING EFFORTS TO RESTRUCTURE N/S  
RELATIONSHIPS AS MEANS TO HELP MOVE OUT OF WORLD  
RECESSION.

FOR FUTURE WORK, PAPER SUGGESTS SECRETARIAT COULD  
PREPARE BASIC STATEMENT OF OECD INTERESTS IN MAIN  
FUNCTIONAL AREAS, INCLUDING OBJECTIVES OF OECD AND MAJOR  
THIRD WORLD GROUPINGS, STATISTICAL ANALYSIS OF N/S  
INTERACTIONS, AND LIST OF POLICY ISSUES AND  
ALTERNATIVES.  
END SUMMARY  
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## Message Attributes

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**Review Markings:**  
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